

Statement of Commissioner William P. Doyle
Federal Maritime Commission

The G6 Alliance Agreement
FMC Agreement No. 012194

March 12, 2013

On February 1, 2013, the G6 Alliance filed with the Federal Maritime Commission (FMC) an agreement setting forth two principal agreement goals. First, the G6 Alliance authorizes the parties to charter and exchange space on the parties' vessels. Second, the G6 Alliance seeks to coordinate and cooperate with respect to the parties' transportation services and operations in specific trade lanes. This week, the FMC Commissioners voted to allow the new Agreement to go into effect. Notably, this agreement will retain U.S.-Flag vessels in the rotation and increase the frequency of vessel port calls on the U.S. East Coast.

For reference, the G6 Alliance was established in December 2011 and began operations in March 2012. The parties to the G6 Alliance are American President Lines, Ltd. (APL), Hapag-Lloyd Aktiengesellschaft (Hapag-Lloyd), Hyundai Merchant Marine Company (Hyundai), Mitsui O.S.K. Lines (MOL), Nippon Yusen Kaisha (NYK), and Orient Overseas Container Line Limited (OOCL). Furthermore, the G-6 Alliance is a vessel sharing agreement between the New World Alliance (APL, Hyundai, and MOL) and the Grand Alliance (Hapag-Lloyd, NYK, and OOCL).

With this new agreement, the G6 Alliance will deploy more than 50 ships in the Trans-Pacific trade, calling at almost 30 ports in Asia, North America East Coast, Canada, Central America, Caribbean, Indian Sub-continent, Mediterranean, and the Middle East. In particular, the geographic scope of the agreement is between Canada, Egypt, Hong Kong, Italy, Jamaica, Malaysia, Panama, People's Republic of China, Saudi Arabia, Singapore, South Korea, Spain, Sri Lanka, Taiwan, Thailand, United Arab Emirates, and Vietnam—and the East Coast of the United States via the Panama and Suez canals, as well as ports and points served via such U.S. and foreign ports.

This new partnership is scheduled to begin in May 2013 with six coordinated service loops. Three of the services will transit via the Suez Canal, while the remaining three will transit via the Panama Canal. The six loops are the result of the merger and revision of several existing services separately offered by the two alliances. Sailing frequency at most U.S. East Coast Ports will increase compared to what is currently offered by The New World Alliance and The Grand Alliance. Accordingly, the increase in port calls will have a positive impact on jobs – both in terms of retention and growth. In addition, the G6 Alliance will employ at least six (6) U.S.-Flag vessels, as APL is working into the rotation U.S.-Flag, U.S.-operated, and U.S.-citizen crewed vessels.

In allowing the agreement to go into effect, the Commission voted to monitor the G6 Alliance. Thus, the Commission will establish a special purpose monitoring program aimed at early detection of capacity coordination among carriers and agreements operating in the market. Based on my review of available information, I am pleased to support the new G6 Alliance agreement.